

DC/

OFFICE OF CURRENT OPERATIONS
AFTERNOON SUMMARY OF NEWS HIGHLIGHTS
30 January 1979

UNITED STATES

1. DENG VISIT: Deng met for two hours with the President this morning to discuss trade and scientific, technical and cultural exchanges. The President told newsmen that the session had been "far-reaching, frank, honest, cordial, harmonious, beneficial and constructive." Deng replied, "I agree to every word the President has just said." The two will meet briefly again tomorrow to sign an umbrella agreement covering the various exchange programs. Beijing (Peking) radio, meanwhile, has declared the talks so far to have been "extremely important and fruitful."

Deng is spending the afternoon on Capitol Hill and has two social events scheduled for tonight.

At lunch, Deng is quoted as telling Senators as saying that China does not intend to use force against Taiwan, but did not completely rub it out. He is also said to have disavowed plans for an economic boycott against Taiwan and predicted that the offshore islands will be returned peacefully to the PRC.

Before lunch, the people in charge of serving had a bad moment when they discovered that chop sticks to be used came in wrappers proclaiming they had been made in Taiwan. They were vastly relieved to learn that the inscription on the sticks themselves conveyed a simple message: "Enjoy your meal." (All wire services)

2. TRADE: The deficit for December was \$2.04 billion, as compared to \$1.95 billion in November. The total deficit for 1978 was \$28.45 billion, the largest in history. The cost of imported oil in December amounted to \$3.48 billion, a drop off of about \$100 million from the month before. For the year, the cost of oil imports dropped from \$42.3 billion last year to \$39.5 billion. (All wire services)
3. PUERTO RICO: A bomb explosion early this morning caused extensive damage to a Coast Guard building in Ponce. Police are investigating the possibility that the blast may have been set off by fishermen protesting US Navy maneuvers off Puerto Rico's east coast. (AP)

EAST ASIA/PACIFIC

4. VIETNAM/CHINA/KAMPUCHEA: Reporting on the fighting continues to center on Kampuchean resistance to the Vietnamese. On the propaganda front, Beijing radio has accused the Vietnamese of covertly conducting a wartime mobilization.

In Tokyo, Foreign Minister Sonoda, speaking before the Diet, sharply criticized Vietnam's role in the overthrow of the Pol Pot regime, although he did not mention Vietnam by name. He indicated, however, that while Japan's financial commitments to Vietnam for 1978 would be honored, future aid would be frozen as long as the Vietnamese intervention in Kampuchea continued. (UPI, FBIS)

5. JAPAN/USSR: Foreign Minister Sonoda has told a press conference that Japan will protest to Moscow about a buildup of Soviet armed forces in the Kurile Islands. Japanese defense sources say that since May the Soviets have quadrupled their forces on the islands (to 6,000 men) and improved military facilities -- including airbases -- as well. Japanese officials are saying there is no connection between Sonoda's announcement and the upcoming visit of Deng Xiaoping (Teng Hsiao-ping), but other observers do not necessarily agree. (Reuter)

6. MALAYSIA/REFUGEES: A senior Home Ministry official has called on Malaysia's militia forces to stop Vietnamese "boat people" from landing in the country. He said Malaysia did not want any more refugees entering the country, even on a temporary basis pending resettlement somewhere else. The government has also let it be known that any children born to refugees now in the country will not be able to claim Malaysian citizenship. (Reuter)

SOUTH ASIA

7. IRAN: The Iranian government has granted Ayatollah Khomeini permission to return to Iran. The word from French sources in Paris is that he will depart aboard a chartered Air France plane at 0500 Paris time (2300 EST tonight). That should get the Ayatollah to Tehran by mid-afternoon, local time (around 0500-0600 EST). Reports from Khomeini's camp are ambiguous as to when the departure will actually take place.

All wire services have given heavy play to the order for all dependents of US government employees to leave the country and the advice that other US citizens do likewise.

There were scattered demonstrations in Tehran today and some more arson, but not at yesterday's level.